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DCI/IC

74-1058

Reduction
5c. Obj.

11 JUL 1974

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MEMORANDUM FOR:



SUBJECT : Interim report to the President on FY 1974 Objectives

1. Attached for comment is a draft "Interim Report to the President on FY 1974 Objectives for the Intelligence Community," prepared in response to the OMB memorandum for the DCI of 28 June 1974 (also attached).

2. OMB has requested that this summary be submitted to Mr. Malek by 20 July. Comments should be submitted to [redacted] no later than noon on Tuesday 16 July so that the report can be submitted to General Graham on 17 July and to Mr. Colby on 18 July.



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Rear Admiral, USN
D/CS/S

Attachments: a/s

DCI/IC/CS/S, [redacted] (10 July 1974)

Distribution:

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INTERIM REPORT TO THE PRESIDENT ON
FY 1974 OBJECTIVES FOR THE INTELLIGENCE COMMUNITY

1. This interim report responds to the President's request through the Office of Management and Budget for a "brief report on the results of the management-by-objective effort for FY 1974." The annual report to the President of the Director of Central Intelligence, to be submitted 1 October, will provide a fuller treatment of the Intelligence Community response to its FY 1974 Objectives.

2. The five Community Objectives, as approved by the President on 23 September 1973, were based on the Presidential memorandum of 5 November 1971 on "Organization and management of the U.S. Foreign Intelligence Community," and were supported by 25 identified tasks. In essence, the Objectives involved improving the quality and responsiveness of intelligence production in support of the formulation of U.S. foreign, military and economic policies and the operational readiness of the military forces, assuring DCI leadership of the Community, achieving a more efficient use of resources, and reviewing and revising the assignment of intelligence functions.

3. A determined effort to establish substantive intelligence needs as the driving force for the Intelligence Community was fundamental to the DCI's response to the

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stated Objectives. A major element of this was appointment of 12 National Intelligence Officers as the DCI's personal representatives in each of seven major geographic and five important substantive areas to oversee the Community's estimates of national-level import. Another element involved development in January 1974 of a list of "Key Intelligence Questions" (KIQs) in coordination with National Security Council Intelligence Committee members to provide guidance for near-term collection and production activities of the Community. A KIQ Evaluation Program (KEP) for measuring Community progress in satisfying a selected number of these key needs for intelligence is now underway. This Key Intelligence Questions and Evaluation Program is continuing in FY 1975 with an updated set of questions.

4. A number of significant changes in product formats and production procedures were achieved during the year to enhance the responsiveness of the intelligence provided key consumers. New product forms were introduced and some existing products retired. A National Intelligence Daily in newspaper format is now being produced for about 50 NSA and Cabinet-level readers, replacing for some users the President's Daily Brief and for others the Central Intelligence Bulletin. The CIB itself has been replaced by a National Intelligence Bulletin (NIB), now being produced under DCI auspices in collaboration with member agencies of the United States

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Intelligence Board. It is expected the NIB will provide a greater opportunity for participating organizations to indicate differing or dissenting views.

5. A National Operations and Intelligence Watch Officers Net, a secure voice conferencing system for improved reporting of indications and warning information, was developed, tested and put into operation. Other plans to improve intelligence support for crisis management activities, including the development and testing of a companion net for intelligence analysts calling for a secure voice/video text editing capability, are carrying over into FY 1975, and specific milestones for their achievement have been set.

6. Considerable attention was devoted to problems of resources management, accentuated as they were by declining personnel resources. Highlights of this were Intelligence Community Staff participation in the budget review process, the development and submission to the President by the DCI of the National Foreign Intelligence Budget Recommendations for FY 1975 and defense of this program by the DCI before five Congressional Committees.

7. A system of quarterly reviews of resource utilization by all intelligence entities was undertaken by the Intelligence Resources Advisory Committee (IRAC) and the working group of the IRAC identified and began monitoring

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and analyzing a series of important specific program issues having a total FY 1976 impact of [REDACTED] These issues, and others requiring resolution this year will be highlighted during the FY 1976 program presentations to the IRAC.

8. A related achievement was establishment and the initial operations of the Intelligence Research and Development Council under the chairmanship of [REDACTED] Director of Defense Research and Engineering. A review of all R&D activities within the National Foreign Intelligence Program is nearing completion. Initial findings of the Council will shortly be presented to the IRAC, including recommendations as to opportunity areas which hold promise for eliminating identified gaps in the existing R&D efforts. The Council is charged with proposing a follow-on program of activities which will promote a coordinated and shared RDT&E program intended to assure a minimum of overlap or duplication and a maximum of cross-program technology application.

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9. Progress has been slower on some of the tasks supporting FY 1974 Objectives than had been anticipated. In response to the President's charge to include tactical intelligence in the National Foreign Intelligence Budget Recommendations, the DCI set as a major FY 1974 task the completion of a joint study with the Secretary of Defense of the national/tactical intelligence interface. Intelligence-related DOD resources not included in the Consolidated

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Defense Intelligence Program have been identified and work is underway to examine the essential information needs of selected military operational commanders and the manner in which both national and tactical resources can best contribute to their satisfaction. In retrospect, the original schedule for completion of what is clearly a monumental task was unrealistic.

10. Overall, the Intelligence Community experience of the past year in the management-by-objectives exercise has been productive, as indicated by the results. The identification of objectives, and of specific tasks related to movement toward those goals, served a useful purpose. Where achievements fell short of the mark, the FY 1974 effort aided in the identification of new tasks for the current year's program.

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June 28, 1974

MEMORANDUM FOR:

WILLIAM E. COLBY
Central Intelligence Agency

FROM:

FRED MALEK *FMM*

SUBJECT:

Summary Report for the President
on FY 74 Objectives

The President has requested a brief report on the results of the management-by-objectives effort for FY 1974. As we envision it, the report will consist of a short summary, followed by a two or three page narrative from each agency. These narratives will frankly assess both the accomplishments as well as some of the shortcomings with regard to the Presidential objectives.

We feel it is most appropriate for agency narratives to be prepared by the agencies that were responsible for the results achieved. It is not intended that this be a comprehensive report, and not all objectives need to be discussed independently. We are really after the major highlights that will be of the greatest interest to the President.

I would appreciate it if you could send your summary to me by July 20 to enable expeditious transmittal to the President. Thanks once again for the leadership you have given to this program.

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cc: